

MINUTES

**MONTANA HOUSE OF REPRESENTATIVES
53rd LEGISLATURE - SPECIAL SESSION**

JOINT SUBCOMMITTEE ON NATURAL RESOURCES

Call to Order: By **CHAIRMAN ROGER DEBRUYCKER**, on November 17, 1993, at 2:00 p.m.

ROLL CALL

Members Present:

Rep. Roger DeBruycker, Chairman (R)
Sen. Cecil Weeding, Vice Chairman (D)
Sen. Gerry Devlin (R)
Sen. Greg Jergeson (D)
Rep. John Johnson (D)
Rep. William Wiseman (R)

Members Excused: None

Members Absent: None

Staff Present: Roger Lloyd, Legislative Fiscal Analyst
Terri Perrigo, Legislative Fiscal Analyst
Florine Smith, Office of Budget & Program
Planning
Karmen Tuttle, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing: Public Service Regulation
Livestock
Fish, Wildlife, and Parks
State Lands

Executive Action: Livestock

HEARING ON THE DEPARTMENT OF PUBLIC SERVICE REGULATION

Tape No. 1 Side 1

Bob Rowe, Vice Chairman, Public Service Commission, stated that in July Montanans paid about \$1 billion in bills to utilities regulated by the commission. The commission is funded almost entirely by a special revenue tax on utilities and railroads which are regulated. The FY 94 special revenue account funding

is \$2,300,000, and it receives a little less than \$30,000 in federal funding for the highly successful Pipeline Safety Program. The PSC has 39.5 full time employees plus 5 commissioners. The PSC transportation division generates \$1.6 million in revenue which goes directly to the General Fund. When the committee met in July it reviewed the Commission's mission, its funding, staffing levels, and vacancy savings. **Mr. Rowe** said that in July he and other staff members answered detailed questions from the committee concerning the commission's activities. He noted that the commission is not included in the budget office or the LFA proposal for reductions except as it would be affected by changes within other agencies. **Exhibit 1**

Questions From Committee Members and Responses:

SEN. GREG JERGESON asked how much could be saved if the commission did not have to regulate garbage haulers and to decide territories for trucking companies. **Bob Rowe** responded that there has been a lot of talk of deregulation of different kinds of transportation services. **Mr. Rowe** is in favor of changing some elements of regulation to make regulation less of a barrier to entry. If the commission hearing procedure was streamlined, which **Mr. Rowe** supports, it would take some legislative action. **Mr. Rowe** noted that the commission would still need people processing paper in Helena and conducting safety and compliance reviews out in the field. Although there are some advantages to reducing the people in the field, it would probably cost the General Fund substantially.

Wayne Budt, P.S.C. Division Administrator, said if the garbage industry was deregulated, revenues would not be generated. Depending on how far deregulation goes, there could be any different number in the budget.

Sen. Gerry Devlin asked whether, if the state were to deregulate, it would still be under federal law. **Mr. Budt** replied that with regulation, federal regulation would still be there but only on interstate, not between two points of Montana.

Sen. Gerry Devlin asked what kind of fees there would be on garbage haulers and what the transportation commission would get from the truckers. **Mr. Budt** replied that they are financed by the tax on utilities and railroads. The fees the commission collects from motor carriers goes into the General Fund and is used for those agencies. However, if it is decided to split that up, that money does not come back to the PSC. The fees they pay are \$5 for every vehicle that is going to run in Montana whether they are an interstate carrier or intrastate.

Bob Rowe stated that the deregulation overall would result in a net loss to the state General Fund. Regulation of transportation should be based on what makes the most economic sense. The answer is probably different industry by industry.

Bob Rowe noted that there is a possibility that the revenues will be reduced because reinforcement will be much more up to the honesty of individual carriers.

Chairman Roger DeBruycker asked what the PSC is doing about phone service in county jails. **Chairman DeBruycker** noted that the phone service out of San Diego is charging \$20 a call instead of \$1.90 U.S. West would charge. **Mr. Rowe**, said there have been many complaints. The theory is that competitive communications do not need regulation. The problem is that with these jail phone operations the person who is accepting the call does not have a choice between different providers so the bills are quite high. The PSC has resolved many individual complaints by opening up proceedings to decide whether it has any authority under the Montana Telecommunications Act. There is some uncertainty about the technical definitions in that act. If the PSC has any authority under the Telecommunication Act, they will pursue rule making.

Motion/Vote: Sen. Cecil Weeding moved to close the section. The motion carried unanimously on a voice vote.

HEARING ON DEPARTMENT OF LIVESTOCK

Tape No. 1:A:12.4

Opening Statement by Sponsor:

Flo Smith, Office of Budget and Planning, reviewed the budget. The proposal for Program 1 under Central Services proposes a General Fund savings of approximately \$45,000 each year by replacing General Funds with state special revenue due to the elimination of the Meat and Poultry Inspection Program. The inspection services themselves will not be reduced; they will be taken over by the U.S. Department of Agriculture. Basically there is no reduction in services; it will just be a different provider and a savings to the State of Montana. If the committee proposed an effective date of February 1 rather than January 1, it would give sufficient time to take over the program since the USDA would want 30 - day notice. The reductions for FY 94 reflect a February 1 date rather than January 1. The whole program would be eliminated in FY 95, for a savings of approximately \$276,000 in FY 95 and a savings of approximately \$88,000 in FY 94. **Exhibit 2**

E.E. Mortenson, Executive Secretary, Board of Livestock, said they had complied with the Budget Office request of the 10% reduction in General Fund by proposing a funding switch in the Centralized Services Program. Relative to the State Meat Inspection Program, the Board of Livestock did not choose to offer up the State Meat Inspection Program; this was done by the Budget Office.

Proponents' Testimony:

None

Opponents' Testimony:

Les Graham, Montana Meat Processors Association, was very concerned about this proposal. It states that it will be an automatic transfer in a 30 - day period over to the federal government, but this has not always happened. He said the committee will hear proponents saying there is duplication of the two services, there is absolutely no duplication between the federal and the state government. The rules that the federal government operates under were adopted by the department so there would be duplication.

He added there are some side benefits to this program for the state. In animal health, some occasional blood testing that is available through the State Inspector. Also the program is under constant federal review and at the last review it came through with very good review points.

Bob Gilbert, Montana Woolgrowers Association, said that Montana Woolgrowers Association supported the bill when **Gene Donaldson** introduced it back in the late 1980s. The idea was to add value to the agricultural products in the state. If this is turned over to federal regulators, the operators will not be able to stay in business. That defeats the purpose of having a local packing plant to add value to Montana products.

Lucky Siebert, President, Montana Meat Processors Association, stated that six years ago the State of Montana chose to carry the meat inspection program. Now that the program has been developed, 193 processors are inspected by the state, over 40 more than were inspected by the USDA in 1988. The increase in inspections has been possible because of cooperation of state agencies, such as the Brand Inspection. This is not possible through federal programming. More facilities being inspected the State Meat Inspection Program has enhanced the credibility of Montana meat products. Small business in this state have faith in this program, and businesses must know once and for all that this program will remain intact.

Ted Doney, Montana Dairymen's Association, stated that the Dairymen's Association feels that scrapping the State Inspection Program is a bad idea. It will jeopardize the meat processing business in Montana and will result in a lower price for beef particularly the dairy cows in Montana.

Raney Tschida, Montana Stockgrowers Association, stated that the Stockgrowers Association believes that state inspection adds value to farms and ranches. State inspection provides Montana products to consumers and as a result, provides revenue to the local Montana economy.

Tom Lane, Department of Livestock, said he is against giving control to the federal government.

Nancy Esby, Board of Livestock, and Leonard Mingneau, Meat Processor, said they are against giving control to the federal government. **Exhibit 3**

Tim Hency, Plant Manager, Custom Meats of Whitefish, Secretary/Treasurer Montana Meat Processors Association, said that under state inspection there is more flexibility in the hours worked. Under federal inspection there are set hours. With the state program it costs a lot less and takes a lot less time for label approval.

Jerry Dolson, 2-J's Meat and Sausage, is against giving control to the federal government.

T.S. Laurens, Director, Montana Beef Council, Associate Director, Montana Pork Producers Council, said that both of these organizations oppose this proposed legislation.

Questions From Subcommittee Members and Responses:

Sen. Cecil Weeding asked about the ratio between state and federal inspection. **Mr. Mortenson** said that only federally inspected products can come under interstate commerce. A state product can go into a federal plant storage for further distribution.

Sen. Weeding, asked how much of the Department of Livestock's cost was deferred to special revenues. **Mr. Graham** said that HB 516 was the legislation to fund the Dairy Inspection Program with state special revenue. That amounted to \$550,993 for the biennium. **Mr. Scufka** said that full appropriations had an additional \$498,113 in the diagnostic lab. Over three sessions the total of 1,384,106 has been replaced.

Motion: **Sen. Greg Jergeson** moved that the department's FY 95 total appropriation in each fund be reduced by 1.8%.

Substitute Motion: Sen. Gerry Devlin motioned to close the agency. Motion was withdrawn.

Motion/Vote: Sen. Cecil Weeding moved to reject all executive proposals and to close the agency. The motion failed on a vote of 3 to 3.

Motion/Vote: Sen. Gerry Devlin moved to close the agency. Motion failed 3 to 3.

Motion: Sen. Greg Jergeson moved his original motion that the department's FY 95 total appropriation in each fund be reduced by 1.8%. Motion failed 5 to 1.

Motion/Vote: Sen. Greg Jergeson moved to close the section. Motion passed 5 to 1.

HEARING ON DEPARTMENT OF FISH, WILDLIFE, AND PARKS

Tape No. 1 SIDE 2

Proponents' Testimony:

Pat Graham, Director, Fish, Wildlife, and Parks, said that the DFWP supports the postponement of the Lower Missouri Water Reservation EIS for two years. The postponement would result in reduction of the department's biennial budget of \$46,250. The DFWP would like to eliminate state refunds that are less than \$5 and eliminate the use of social security numbers for the purchase of hunting and fishing licenses. They issue about \$10-12,000 refunds of less than \$5. It is an automated process which costs the DFWP about \$500 in addition to the auditors' office charges of about \$.40 for each one mailed. No change in law is required for this, but MOMM 1-86-2 currently requires a refund of \$3 or more. Withholding refunds for delinquent state debt is done in a variety of different agencies through the auditor's office right now, to help on collection such as delinquent tax payment and child support payments.

Mr. Graham said that DFWP supports review of the print shop consolidation. The Governor's budget is a plan to replace General Fund at the Department of Administration and OBPP from earmarked funds with other agencies. That would be about \$50,000 per year. It will reduce computer processing rates by 3% which will be a savings of \$1,600 in general license account expenditure. In affect it will reduce building rent by \$1,3000 in FY 94 and \$2,400 in FY 95.

Roger Lloyd, LFA, said that during last session HB 642 was passed which allocated for the first time 6 1/2% of the accommodations tax revenue for the department to fund maintenance of park

facilities in the state. An option would be to expand that idea and to increase the percentage from 6 1/2% and reduce General Fund by a like amount. If the percentage was increased from 6 1/2 to 10.8% enough revenue would be generated to completely offset the General Fund in the department. The parks would be funded entirely with accommodations tax and fee of revenue. Since there is only a set amount of funds available, other agencies that receive a portion of that revenue would have to be reviewed. The Governor did not recommend additional cuts in the parks program for this biennium. **Exhibits 4, 5, & 6**

Mr. Graham said the DFWP had proposed to reevaluate the FTEs in eastern Montana. The department discussed the actions taken in subcommittee and some that the department took to reduce high level administration positions in Helena. The DFWP proposed to decrease the number of regional offices from eight to six and create area offices in various locations around the state and to create a new field position called the Conservation Specialist. The goal was to find more efficient ways to serve clients and customers across the state. The most controversial was the proposal to consolidate region six and seven. The proposal to eliminate the regional office in Helena received mixed reviews. The DFWP decided to combine the Supervisor/Information officer but to maintain regional boundaries in the current regional structure. The DFWP would like to establish area offices with existing staff in Havre, Glendive, Lewistown, Hamilton, and Libby. The Conservation Specialist would be supervised by the regional supervisor and be available for use by all divisions. DFWP can get more effective use of field support staff if they are available to any division on a priority basis instead of being assigned to one division. **Exhibits 7, 8, 9 & 10**

Questions From Subcommittee Members and Responses:

Sen. Greg Jergeson asked whether there are ways to reduce DFWP expenditures and the size of the department. **Pat Graham** said that reduction was met with resistance at every turn, but he tried to redirect resources and to stretch dollars to accomplish priority activities.

Sen. Jergeson said it seems that people want to change government but they never appear in front of sub-committees to suggest how.

Motion/Vote: **Sen. Weeding** moved to closed the section and remove EIS Lower Missouri item contingent upon approval of the executive proposal of DNRC and passage of SB 2. Motion passed 4-2.

HEARING ON DEPARTMENT OF STATE LANDS

Tape No. 2 SIDE 1

Opening Statement by Sponsor:

Roger Lloyd, LFA, said there are seven items to balance the budget for this department. EXHIBIT 11

Proponents' Testimony:

Bud Clinch, Commissioner, Department of State Lands, said the department intends to look at new programs that could deliver reductions in General Fund appropriations while having a minimum impact to the prioritized services demanded by the public. Item #5 reflects the philosophy of the department to meet an ever-increasing workload in terms of increasing timber sales on small private lands. The additional cuts in items #6 & 7 are to return General Fund money to the General Fund budget. Exhibit 11

Sen. Jergeson said he was not in favor of the proposal.

Rep. Wiseman asked whether under item #6, reducing the forestry division will help cut timber harvesting and reduce dollars for school's. Mr. Hartley, said that State Lands developed these alternatives trying to implement cutting areas that would not impact the ability to meet or exceed revenue expectations. The Department was given six additional FTE for the timber program through HB652. Revenues from sales have been diverted to the department to pay for the additional six people and the additional work. This reduction under item 6 is related to the fire program, which is 50% of the forestry division budget; half of the people are funded through the fire program.

Sen. Jergeson asked Mr. Hartley if item #6 was the program where there is a 27 cent acre assessment on land owners and fire program. Mr. Hartley said that was correct.

Sen. Jergeson said that people living in the high country are not paying enough for their fire protection. Mr. Hartley said there are two issues: equity within the 1/3 of our budget paid by the land owners and whether landowners should be paying more of the total bill.

Mr. Lloyd said that any reduction in the department's FY 94 operating budget will not be in their Fiscal Year 97 biennium budget since FY 94 is the base year for determining the 97 biennium budget.

Motion: Sen. Devlin moved to accept the Governor's budget with the exception of repealing the state equalization payment statutes in the Central Management Program.

Bob Kuchenbrod, Central Services, DSL, said that the Department of State Lands would like to have the concurrence of the committee look on item #1. The department would like to retain one FTE because the position reduced through the reorganization of Central Management it was an individual involved in fiscal work with the forestry division. The department would like to transfer the FTE from Central Management to the forestry division and fund that with a state special or federal grant. The department would like just the FTE and no money transferred from Central Management.

Sen. Weeding asked whether the committee is gambling on how much fire suppression there will be in FY 95. The committee does not know if it will be \$100,000 or \$12 million.

Motion/Vote: Sen. Devlin moved to amend the original motion to exclude the federal fire reimbursement item as well as the equalization payment with language for the slash law revision contingent on LC55. The motion passed unanimously.

Motion/Vote: Sen. Devlin moved to add .5 FTE to forestry the last half of FY 94 and 1.00 FTE FY 95 with no money. The motion passed.

Motion/Vote: Sen. Weeding moved that item #7 be adopted. The motion carried unanimously.

Motion: Sen. Devlin moved to close the section. The motion carried unanimously.

ADJOURNMENT

Adjournment: 6:30 p.m.


REP. ROGER DEBRUYCKER, Chairman


KARMEN TUTTLE, Secretary

RD/KT

HOUSE OF REPRESENTATIVES

NATURAL RESOURCES SUB-COMMITTEE

ROLL CALL

DATE November 17, 1993

NAME	PRESENT	ABSENT	EXCUSED
REP. ROGER DE BRUYCKER, CHAIRMAN	X		
SEN. CECIL WEEDING, VICE CHAIRMAN	X		
SEN. GERRY DEVLIN	X		
SEN. GREG JERGESON	X		
REP. JOHN JOHNSON	X		
REP. WILLIAM WISEMAN	X		

HOUSE OF REPRESENTATIVES
NATURAL RESOURCES SUB-COMMITTEE

ROLL CALL VOTE

DATE November 17, 1993 BILL NO. _____ NUMBER _____

MOTION: Sen. Gerry Devlin moved to close the agency.

NAME	AYE	NO
REP. ROGER DE BRUYCKER, CHAIRMAN		X
SEN. CECIL WEEDING, VICE CHAIRMAN	X	
SEN. GERRY DEVLIN	X	
SEN. GREG JERGESON		X
REP. JOHN JOHNSON	X	
REP. WILLIAM WISEMAN		X

Natural Resources & Commerce Subcommittee in Special Session

Department of Public Service Regulation
November 17, 1993

See LFA Budget Analysis page C-1.

Executive Budget Proposals

The Executive Budget proposes no changes.

Other Issues

House Bill 413, passed by the 1993 session, deposited utility tax receipts in the state special revenue fund rather than the general fund and funded PSR from the state special revenue fund rather than the general fund.

The following language in House Bill 2 can be struck:

Strike: "If House Bill No. 413 is not passed and approved or is passed and approved in a form depositing revenue to the general fund, the state special revenue appropriations in items 1, 1a through 1f, and 2 are eliminated and general fund appropriations are increased by like amounts."

4201 Department of Public Service Regulation

Executive Budget Proposal

Description	Pg	Fiscal 1994			Fiscal 1995		
		General Fund	Other Funds	Total Funds	General Fund	Other Funds	Total Funds
House Bill 2 Authority Before Proposal		\$0	\$2,372,010	\$2,372,010	\$0	\$2,052,370	\$2,052,370
House Bill 2 Authority After Proposal		\$0	\$2,372,010	\$2,372,010	\$0	\$2,052,370	\$2,052,370
House Bill 2 Percent Change		NA	0.00%	0.00%	NA	0.00%	0.00%
House Bill 2							
<i>House Bill 2 Sub-Total</i>		\$0	\$0	\$0	\$0	\$0	\$0
Other Appropriation Bills							
<i>Total Expenditure Impact</i>		\$0	\$0	\$0	\$0	\$0	\$0
Revenue/Fund Balance Proposals							
<i>Total Revenue/Fund Balance Impact</i>		\$0	\$0	\$0	\$0	\$0	\$0
<i>Net Impact</i>		\$0	\$0	\$0	\$0	\$0	\$0

4201 Department of Public Service Regulation

Legislative Budget Action

Description	Pg	Fiscal 1994			Fiscal 1995		
		General Fund	Other Funds	Total Funds	General Fund	Other Funds	Total Funds
House Bill 2 Authority Before Proposal		\$0	\$2,372,010	\$2,372,010	\$0	\$2,052,370	\$2,052,370
House Bill 2 Authority After Proposal		\$0	\$2,372,010	\$2,372,010	\$0	\$2,052,370	\$2,052,370
House Bill 2 Percent Change		NA	0.00%	0.00%	NA	0.00%	0.00%
House Bill 2							
<i>House Bill 2 Sub-Total</i>		\$0	\$0	\$0	\$0	\$0	\$0
Other Appropriation Bills							
<i>Total Expenditure Impact</i>		\$0	\$0	\$0	\$0	\$0	\$0
Revenue/Fund Balance Proposals							
<i>Total Revenue/Fund Balance Impact</i>		\$0	\$0	\$0	\$0	\$0	\$0
<i>Net Impact</i>		\$0	\$0	\$0	\$0	\$0	\$0

EXHIBIT _____
DATE 11/17/93
HB _____

Natural Resources & Commerce Subcommittee in Special Session

Department of Livestock November 17, 1993

See LFA Budget Analysis page C-11.

Executive Budget Proposals

1. Replace general fund with state special revenue in the Centralized Services Program
2. Replacing federal indirect costs with state special revenue in the Centralized Services program due to elimination of the Meat and Poultry Inspection program. Indirect costs are funded differently, not eliminated.
3. Eliminate the Meat and Poultry Inspection Program
 - a. consider effect of the vacancy savings appropriation in House Bill 2
 - b. pay plan considerations
 - c. time-frame to eliminate program in fiscal 1994
 - d. consideration of the 100 percent state match required in fiscal 1994

Other Issues

1. The following language in House Bill 2 can be changed:
 - a. Change: "Item 1 contains an appropriation for \$27,500 of state special revenue in fiscal 1994 and \$27,500 of state special revenue in fiscal 1995 from the per capita levy. If House Bill 516 is passed and approved, the funding source for these state special revenue appropriations will be revenue derived from fees enacted by that bill."
To: "Item 1 contains an appropriation for \$27,500 of state special revenue in fiscal 1994 and \$27,500 of state special revenue in fiscal 1995 from fee revenue derived from House Bill 516."
 - b. Change: "Item 2 contains an appropriation for \$85,000 of state special revenue in fiscal 1994 and \$85,000 of state special revenue in fiscal 1995 from the per capita levy. If House Bill 516 is passed and approved, the funding source for these state special revenue appropriations will be revenue derived from fees enacted by that bill."
To: "Item 2 contains an appropriation for \$85,000 of state special revenue in fiscal 1994 and \$85,000 of state special revenue in fiscal 1995 from fee revenue derived from House Bill 516."
 - c. Change: "Item 4 contains an appropriation for \$161,802 of state special revenue in fiscal 1994 and \$164,191 of state special revenue in fiscal 1995 from the per capita levy. If House Bill 516 is passed and approved, the funding source for these state special revenue appropriations will be revenue derived from fees enacted by that bill."
To: "Item 4 contains an appropriation for \$161,802 of state special revenue in fiscal 1994 and \$164,191 of state special revenue in fiscal 1995 from fee revenue derived from House Bill 516."

General Fund Budget Modifications

1. Meat/Poultry Inspection Workload - \$30,478 in fiscal 1994, \$30,512 in fiscal 1995

EXHIBIT 3
11-17-93
NATURAL
RESOURCES
SUBCOMMITTEE

JEANNE L. BARNARD
P.O. Box 1411
Malta, MT 59538

Telephone
(406) 654-1678

November 16, 1993

Representative Roger DeBruycker
Chairman, Finance Sub-Committee
Helena, MT 59620

RE: State Meat Inspection Program

Dear Sir:

I have heard that the State Meat Inspection Program has been earmarked to be discontinued in the up-coming Special Legislative Session, and I am writing today in hopes of discouraging this decision.

If the State Meat Inspection Program is eliminated, we, the people who live in Montana will be under the mercy of the Federal Government. Unfunded mandates will ultimately be passed down from the Federal to Local levels causing again, more grief to our over burdened consumers.

Besides the consumer, our local Montana Meat Processors (small businesses) would suffer greatly. These small businesses are the foundation of our State, without them our tax base would deteriorate and employees laid off. These businesses have survived reappraisal; mill levy increases; and have paid their dues. Please do not force this imposing legislation upon us by eliminating the State Meat Inspection Plan.

Respectfully Submitted,

Jeanne L. Barnard
Jeanne L. Barnard

Philips Co. ~~Assessor~~

November 17, 1993

Exhibit #3 is a collection of numerous letters. It is stored at the Historical Society at 225 North Roberts Street, Helena, MT 59620-1201. The phone number is 444-2694.

Natural Resources & Commerce Subcommittee in Special Session

Department of Fish, Wildlife and Parks
November 17, 1993

See LFA Budget Analysis page C-3.

Executive Budget Proposals

The Executive Budget proposes the following language in House Bill 2: "The Department of Fish, Wildlife and Parks shall, in consultation with the department of administration, review the cost-effectiveness, along with other relevant considerations, of operating their in-house duplicating facilities compared to department of administration services. The department of fish, wildlife and parks shall report its conclusions, along with the department of administration comments, to the office of budget and program planning and the office of legislative fiscal analyst by June 1, 1994 and to the 1995 natural resource and commerce joint appropriations subcommittee."

Other Issues

1. Elimination of the lower Missouri River water reservation EIS appropriation contingent on approval of the related Executive Budget proposal in the Department of Natural Resources and Conservation budget.
2. Indirect impacts from the Executive Budget:
 - a. elimination of state refunds less than \$5.00; and
 - b. require social security number for the purchase of a hunting or fishing license.
3. Replacing Parks Division general fund with a portion of accommodation tax revenue.
4. Reorganization
5. The following language in House Bill 2 can be struck:

Strike: "Item 6f funds state parks maintenance and improvements. These appropriations are contingent on passage and approval of House Bill No. 642 or on other sources."

Department of Administration initiatives impacting FWP. (Page A17--
A24 in the Governor's budget book)

I. Consolidate State Mail/Printing

A. Central Mail -- Last summer FWP transferred the portion of the mail function requested by DofA.

B. Printshop Consolidation -- The Governor included language in his budget requiring FWP, in consultation with the DofA, to assess if printshops in government be consolidated into one unit at DofA.

FWP maintains a Quick Copy Center for printing services. The Center produces approximately 6 million impressions each year. Turnaround time is generally one day. Many times one half day service is required.

The Quick Copy Center does operate through a self-sufficient revolving fund. Only the revenues from operations are included in the account. All expenditures are recorded against the account. This includes personal services, supplies, maintenance, depreciation and all overhead expenses. No General Fund monies are involved in the operation of the FWP Quick Copy Center.

A comparison of the rates for duplicating are as follows:

<u>No. of Copies</u>	<u>FWP Price per Copy</u>	<u>P & G Price per Copy</u>
1 to 20	.045	.067
21 to 100	.03	.031
101 to 1,000	.025	.019
1,001 to 5,000	.02	.013

Ninety percent of the Quick Copy Center work is from 10 to 150 copies. The remaining is from 150 to 500 copies. For the vast majority of our printing, the quick copy center is cheaper than DofA.

A 1989 legislative audit studied the issue and concluded there was no benefit in consolidating the various printshops in government.

II. Reimbursement to the general fund for statewide support services

The Governor's budget includes a plan to replace general fund at DofA and OBPP with earmarked revenues from other agencies. FWP share of the DofA and OBPP support services costs are \$25,622 in FY94 (half year), and \$51,442 in FY95.

III. Reduce Computer Processing Rates

FWP pays approximately \$51,000 a year in computer processing fees. The DofA is proposing to reduce computer rates by 3%. The rate reduction will be retroactive to July 1, 1993. FWP will save \$1,600 of general license dollars each fiscal year. In the Governor's budget book, FWP budget has been reduced to reflect the lower DofA fees.

IV. Building Rent Reduction

FWP rents space in the Helena area (R8, D&C Bureau, Field Services Administration). FWP FY94 rent budget is \$108,000. These costs will be lowed by \$1,300 in FY94 and \$2,400 in FY95. In the Governor's budget book, FWP budget has been reduced to reflect the lower DofA fees.

cuts

3401 - State Auditor Recommendations

- * **Eliminate State Refunds of \$5 or Less/Increase Payee ID No. Data** (Page A8 in the Governor's budget book)

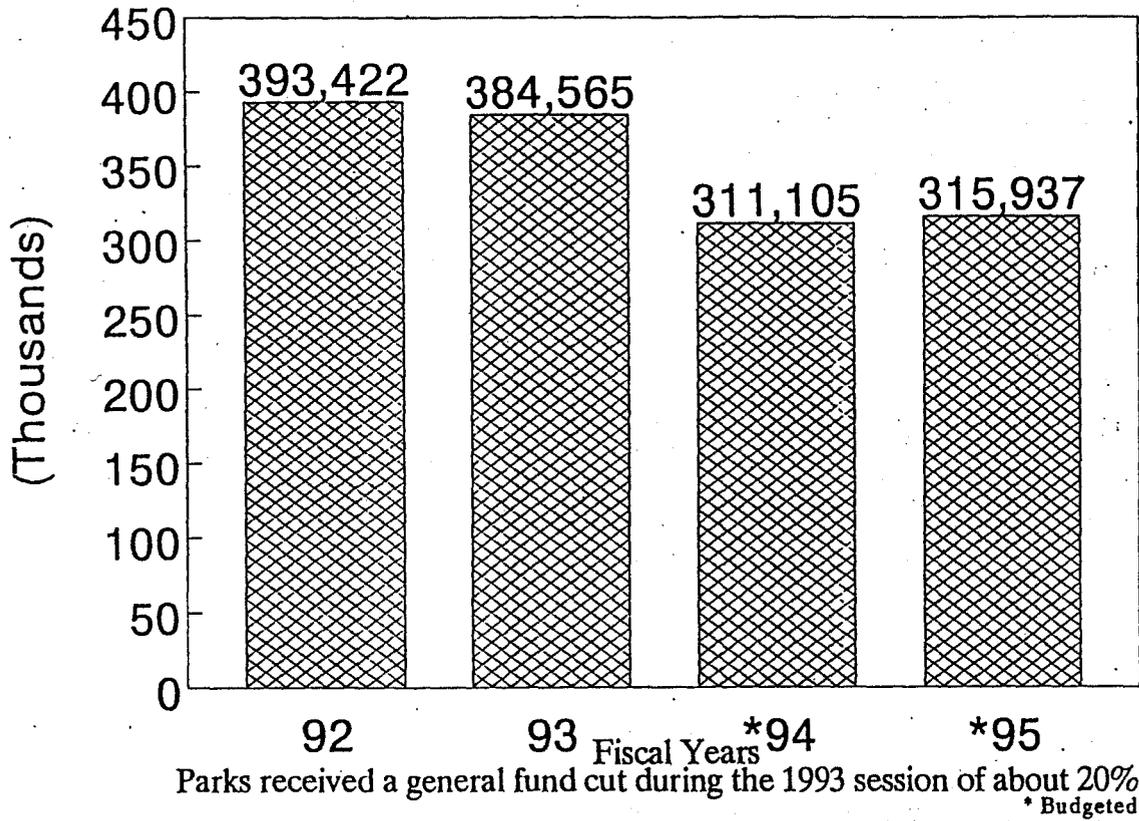
There are two issues -- eliminating small refunds and withholding refunds for debts owed to the state.

Each year FWP issues about 10-12,000 license drawing refunds that are under \$5. It is an automated process that costs us about \$500 to produce. In addition, the auditor's office charges FWP \$.40 for each warrant mailed.

No change in law is needed. Department of Administration would need to modify management memo MM 1-86-2 that currently requires refunds of \$3 or more.

Regarding the withholding of refunds for delinquent state debt, FWP and the State Auditor asked for comment from several groups (draft letter attached). A final decision will be made on the merit of the proposal after the comment period of 12/31/93.

PARKS GENERAL FUND BUDGET REDUCTIONS During the 1993 Legislative Session



GENERAL FUND PROGRAMS ELIMINATED IN 1993

	Description	FY92	FY93
1	<u>Montana Conservation Corps (MCC) Program</u> This priority involves program coordination and grant oversight of the National Community Service Act (\$500,000) and coordination with MCC Inc, and HRDC's, our private non-profit partners. Other internal support is provided to field projects using youth crews from this funding source. (23-1-301 through 314, MCA)	\$ 47,590	\$ 54,271
2	<u>Park Partnership Support</u> FWP has turned control of various parks over to other agencies to manage. These funds reduce FWP's site development and maintenance responsibilities thus making a substantial savings to our system. (23-1-107; 87-1-209, MCA)	\$ 4,500	\$ 4,500
3	<u>Tourism Enhancement</u> These funds are used to investigate and establish links between State Parks and Montana's tourism industry. Examples include the economic development and tourism report done for three state parks and surrounding communities. This project also includes joint tourist information publications with Commerce. (23-1-107; 23-2-101, MCA)	\$ 8,758	\$ 7,218
4	<u>Information, Education and Interpretation</u> Includes park directional and internal signing, education and interpretation materials for youth, school groups and tourists. Special events and programming such as Bannack Days, park brochures, and a campsite reservation and information system. (87-1-210; 23-1-101, MCA)	\$ 14,625	\$ 9,484
TOTAL		\$75,565	\$75,566



Montana Department of Fish, Wildlife & Parks

DRAFT DECISION DOCUMENT FOR FWP REORGANIZATION

AUGUST 23, 1993

BACKGROUND

Budgetary woes continue to plague Montana, resulting in renewed interest in ways to balance the state budget. The overwhelming voter defeat of the proposed tax reform and the ongoing battle against the income tax increase is evidence that changes are expected in state government. Many Montanans are demanding that the cost of government be reduced, while services continue at current levels. In order to provide current level services, state agencies must become more efficient and effective.

While it is true that the department enjoys strong support from its customers and is funded primarily by user fees, it is not insulated from public expectation about government. Citizens often focus on the need to reduce or consolidate administration as one way to reduce government. At the same time, Fish, Wildlife and Parks is experiencing increased demands to address the needs of landowners, hunters, anglers, parks users and other agencies. The impacts of the Endangered Species Act, federal land and water management agencies and changes in private landownership are some of the factors putting increased demands on the department. A common concern expressed by department staff is that less and less time is available for data collection, enforcement and individual contacts with our customers.

As a result, Fish, Wildlife and Parks has considered several ways to conduct our business more effectively and with greater efficiency.

The following steps have been taken, or are being proposed, to reduce administration and increase on-the-ground activities:

- reduce high-level administrative positions in Helena
- decrease number of regional offices from eight to six and maintain area offices in the remaining two locations
- adjust regional administrative boundaries
- reorganize positions to create a new type of field position

Each of these actions will be accomplished over a period of time and will improve the department's ability to effectively deal with our customers while reducing some administrative overhead. Timing

Region Eight

The need for Helena regional coordination was identified in the late 1980s to provide for a department presence and an implementation plan was developed to expand from seven to eight regions. Some of the factors leading the decision were the high use and complexity of Parks management at Canyon Ferry, Hauser and Holter reservoirs; the fact that 15% of the state's fishing use occurs in the Helena area; and the increased use of the public bypassing regional staff in Bozeman and Great Falls and going to Helena administrators. Various management arrangements have been implemented, but Region Eight has never been fully staffed similar to other regions.

Based on an evaluation of current needs, the department proposes to replace Region Eight with an area office. There is a need for continued presence of a field office in the Helena area, however, administration would occur through either the Bozeman or Great Falls regional offices.

A transition plan will be prepared by the Regional Supervisors in Regions Three, Four and Eight. Several factors will need to be considered as the plan develops. These factors include, but are not limited to:

- area coordination is needed to be accountable for the day-to-day needs of employees assigned to the area office and to serve as the local contact for the public and local federal, state and county agencies;
- area office should be relocated from the Capitol Complex to the Custer Avenue complex in order to more clearly define the presence of this office for the public, to provide oversight for the animal shelter and security for field equipment;
- the Region Three and Four supervisors will be asked to determine which supervisor will be responsible for each operation and how the administrative supervision will be coordinated;
- review and change boundaries for the Helena area office, if needed, to reflect workloads and resource needs;
- manpower needs and placement will be reviewed and the Conservation Specialist position used in priority locations;
- The Region Eight supervisor position will be redirected and supervision provided by an area office supervisor -- a position currently functioning in the dual role of assistant regional supervisor and assistant administrator for the Field Services Division.

spend administrative time in the area office may add stress for the regional supervisor
any change will be met with resistance

Other Options. Several other options were considered in the evaluation but were rejected as less effective than the proposed option because they would not accomplish as much administrative savings and were essentially status quo alternatives.

Reorganization, in combination with regional boundary adjustments, could reduce the disadvantages of the preferred alternative. The approach recommended for Regions Six and Seven is similar to what will occur in the Helena area with Region Eight. The details for timely transition would be worked out over the next two months by the Region Seven Supervisor and the acting supervisor in Region Six in concert with regional boundary review involving the Supervisors in Regions Four and Five.

ADJUSTMENT OF REGIONAL BOUNDARIES

With the exception of Region Eight, the existing regional boundaries were established in the 1950s. Management changes and redirected efforts suggest it might be time to realign the boundaries in relation to work effort and efficiency. With the proposal to change Region Eight to an area office and consolidate administrative responsibilities in Regions Six and Seven, changes are now in order to make the department's response in these areas more timely. A review of possible changes resulted in at least three suggestions:

- transfer Hill and Blaine counties, north half of Chouteau County and all of the Fort Belknap and Rocky Boy Reservations to Region Four administration;
- transfer east half of Big Horn County and all of Northern Cheyenne Reservation to Region Five administration;
- move boundary between Regions Three and Five down the Yellowstone drainage to include the Boulder River drainage and the east face of the Crazy Mountains in Region Three.

There are advantages and disadvantages with each of these proposed changes; therefore, it would be prudent to assign the appropriate regional supervisors the responsibility of transferring the various duties. It will be their responsibility to make recommendations to the Director on the exact boundaries no later than November 1, 1993.

Implementation plans will be developed by regional staff and phased in by January 1, 1995.

Regional boundaries have essentially remained unchanged since the 1950s. Proposed administrative changes imply realignment of boundaries might be in order. Suggested changes will result in better service to our customers. For example, the Havre area might be better served by the Great Falls office rather than the Glasgow office. This and other changes will be reviewed by the respective supervisor and an implementation plan submitted to the Director for approval by November 1, 1993.

A new class of field employee is being designed by the agency. The Conservation Specialist will provide technical support to all field divisions as directed by the Regional Supervisor. Implementation of this class of employee will enhance the department's ability to meet the increasing demand for continued field activity.

The suggested reorganization of FWP is designed to be completed in phases. Final phase will be complete by January 1, 1995.

reorg/pg/mp

REGIONS SIX AND SEVEN STAFFING OPTIONS

EXISTING STRUCTURE	TEAM MANAGEMENT	COMBINED SUPERVISOR/ INFORMATION OFFICER	CONSOLIDATE REGIONS SIX AND SEVEN
<p>Regional Supervisor Fish Manager Wildlife Manager Parks Mgr (shared) Captain Information Officer</p> <p>Regions remain completely separate, with only the Parks Manager serving both regions as is now the case.</p> <p>Vacant positions of Supervisor in Glasgow and the Warden Captain and Information Officer in Miles City would be filled.</p> <p>Any redirection of effort would be done without savings from staff reorganization or regional consolidation.</p>	<p>Team Leader (One of the Managers) Fish Manager Wildlife Manager Parks Mgr (shared) Captain Information Officer Office Manager</p> <p>Eliminate Regional Supervisor in both regions.</p> <p>Fill other vacant staff positions; R7 Captain and Information Officer</p> <p>Office Managers given routine administrative responsibilities presently assigned to Supervisor and Regional Managers, budget management for example.</p> <p>Office Manager on Management Team.</p> <p>Team shares decision making responsibility.</p> <p>Team Leader role assigned to each team member on a periodic basis or assigned permanently to one team member.</p> <p>Team reports to Deputy Director.</p>	<p>Regional Supervisor/ Information Officer Fish Manager Wildlife Manager Parks Mgr (shared) Captain</p> <p>The duties of Regional Supervisor and Information Officer are combined.</p> <p>Rest of staff structure unchanged.</p> <p>Will require recruiting a person qualified to do both jobs.</p> <p>At the Supervisor/Information Officer level, redistribution of duties among other staff and eliminating some current activities will be necessary.</p> <p>At the regional staff level, some office duties will be dropped or delegated to allow the Regional Managers to spend more time on field projects.</p> <p>Fill R7 Warden Captain position to complete staff.</p>	<p>One Regional Supervisor and one Regional Staff covers both regions.</p> <p>Regional Supervisor Fish Manager Wildlife Manager Parks Manager Warden Captain Information Officer</p> <p>Regional Office in Miles City, Area Office in Glasgow.</p> <p>Regional Supervisor would provide policy guidance, oversee activities for combined region, represent the department in situations which go beyond routine business, maintain communications with director's office and division administrators, and represent the director before the public.</p> <p>Information Officer in each office serving as "Chief of Staff" would supervise office staffs, buildings and grounds and would coordinate routine activities.</p> <p>Present Regional Managers in Glasgow would be reassigned to field duty.</p> <p>Regional Managers in Miles City would re-prioritize and delegate some present duties to absorb additional combined region management duties.</p> <p>Separate budgets for the Glasgow and Miles City Areas would be maintained, at least initially.</p>
			<p>REDIRECT TO PUBLIC SERVICE/FIELD WORK</p> <p>These changes could be made using any of the proposed management structures.</p> <p>Ideas include:</p> <p>Conservation Specialist in each region to assist biologists, wardens and managers in responding to game damage, habitat projects, block management, parks security, license sales, data collection, etc.</p> <p>Area offices in Havre, Glendive, ideally shared with other resource agencies.</p> <p>Contract for:</p> <ul style="list-style-type: none"> Rest structure maintenance Farm pond program Block mgmt negotiations EAs (game farms, etc.) WMA inspect and maint. FAS maint SB 310 compliance <p>Evaluate new habitat projects and monitor compliance.</p> <p>Computer license checks</p>

**Montana Department
of
Fish, Wildlife & Parks**



Helena, MT 59620
November 9, 1993

TO: Eastern Montana Legislators

FROM: Patrick J. Graham
Director

SUBJECT: Update on Reorganizational Proposals

In September, I wrote and informed you of some reorganizational proposals in the department. I want to update you on our progress and tell you that other opportunities are also being evaluated.

First, we will cut back Region Eight in Helena and make it an area office supervised out of the Bozeman regional office.

Second, following extensive public review and the development of several alternatives, we will retain the status of regional offices in Miles City and Glasgow but achieve similar savings and redirection by combining the Regional Supervisor and Conservation Information Officer positions. The positions will be redirected into conservation specialists which will operate as department, not division, employees doing work on game damage, block management, pond surveys, enforcement, and other field work.

Third, we will form area offices in several towns using existing staff. This should provide more of a community focus, improve communication and cooperation. We will contact other state and federal natural resource agencies to identify opportunities to share space and office services. Towns being considered are Havre, Lewistown, Glendive, Libby, Butte and possibly others.

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EX 10
11-17-93
NATURAL RESOURCES
SUBCOMMITTEE

State Parks Accommodations Tax

The 1993 legislature authorized the State Parks Division to receive a percentage of the Accommodations Tax for park maintenance. The revenue estimate for that percentage is \$492,000 per year for the 95 biennium.

\$294,083 and \$303,459 for FY94 and FY95 respectively was used to fund a deficit budget modification within the Parks Division operations. The balance of Accommodations tax funds is being used in the capital program to do major maintenance work.

Within the parks system there remains a backlog of "major maintenance" projects which are beyond the scope of seasonal FWP caretaker crews. These projects, when completed, will reduce the stress on the operations budget, i.e. at some point it is more cost effective to replace run down facility components than paying large annual repair bills.

These capital projects which are scheduled to be funded with accommodations tax are at Lewis and Clark Caverns (\$200,000), Bannack (\$52,458), and Makoshika (\$136,000). They include water system rehabilitation to bring drinking water up to health and safety standards, updating and repairing rest room facilities, making visitor access trails safe to use, repairing unsafe and dilapidated camping facilities, and bringing park sites up to required federal Americans with Disabilities Act (ADA) standards.

The Accommodations Tax allows us to maintain at least status quo and not slip backwards in providing public services. Budget reductions have a direct impact on service hours that can be provided.

PARKS ACCOMMODATIONS TAX

General Maintenance in Parks Operations Program

FY94 - \$294,570; FY95 \$305,267

Campground Maintenance
 Water system testing
 Historic building repair
 Garbage collection
 Toilet cleaning/pumping
 Maintenance equipment
 Road grading and patching
 Weed control

Toilet paper, paint, cleaning supplies and other
 maintenance supplies
 Sign repair/replacement
 Vandalism repair
 Trailer dump station maintenance
 Trail Repair
 Fence repair

Primary State Parks using Accommodations Tax for Maintenance

Rosebud Battlefield - Decker
 Colstrip
 Makoshika - Glendive
 Cooney - Billings
 Hauser Lake - Helena
 Chief Plenty Coups - Billings,
 Pryor

Pictograph Caves - Billings
 Ulm Pishkun - Great Falls
 Giant Springs - Great Falls
 Hell Creek - Jordan
 Bannack - Dillon
 Lewis & Clark Caverns - Butte,
 Whitehall, Three Forks

Missouri Headwaters - Three
 Forks, Bozeman
 Salmon/Placid - Seeley Lake,
 Missoula
 Flathead Lake - Kalispell,
 Polson, Big Fork

Major Maintenance* in Parks Capital Program

- 1) Lewis & Clark Caverns \$200,000
 Cave cleaning
 Exit and entrance trail repairs
 Campground drinking water improvements and well drilling
 Upgrade facilities to meet federal ADA requirements
 Day use and campground area rehabilitation
- 2) Bannack \$52,458
 Upgrade fire/security system
 Upgrade campground to provide disabled accessible latrine
 Trail repairs
 Historic structure stabilization
 Upgrade water system to meet health and safety standards
 Day use and campground area rehabilitation
 Eroding bank stabilization
- 3) Makoshika \$134,000
 Flash flood erosion rehab and control
 Upgrade water system
 Day use and campsite rehabilitation
 Upgrade campground to provide disabled accessible latrine
 Rehab existing building exterior

Major maintenance projects are beyond the scope of work generally accomplished with seasonal maintenance crews and may require specialized private contracted services.

Natural Resources & Commerce Subcommittee in Special Session

Department of State Lands
November 17, 1993

See LFA Budget Analysis page C-6.

Executive Budget Proposals

1. Reorganize and reduce personnel in the Central Management Program
2. Repeal the state equalization payment statutes in the Central Management Program
3. Restructure the school trust oversight in the Lands Administration Program
4. Eliminate the nursery bureau chief position in the Forestry Program
5. Revise timber and debris statutes and replace general fund with state special revenue in the Forestry Program
6. Reduce the Forestry Program's budget
7. Reduce the federal fire reimbursement appropriation in the Forestry Program

Other Issues

1. Further reduction of federal fire reimbursement appropriations
2. Fire suppression supplemental
3. The following language in House Bill 2 can be struck:

Strike: "Item 3a is contingent on passage and approval of Senate Bill No. 424."

General Fund Budget Modifications

1. Helicopter development - \$54,705 in fiscal 1994, \$31,445 in fiscal 1995
2. SB424 -- Advisory Council to Board - \$23,780 in fiscal 1994, \$7,612 in fiscal 1995
3. Vehicle replacement - \$12,000 in fiscal 1994, \$12,000 in fiscal 1995

HOUSE OF REPRESENTATIVES
VISITOR REGISTER

Natural Resources SUBCOMMITTEE DATE 11/17/93

DEPARTMENT(S) _____ DIVISION _____

PLEASE PRINT

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NAME	REPRESENTING	
Bob Rowe	PSC	
Bob Gillett	Montana Woodgrowers Association	oppose cutting meat inspection
Raney Tschida	MT Stockgrowers Assoc.	oppose cutting meat inspection
Dr Don Ferlicka	STATE WFT Dept of LUSTK	
Dr. Bill Quinn	DEPT OF LUSTK STAFF	
Les Graham	mont - meat processors Mon - Day Assn -	oppose cutting meat inspection
E G Mortensen	Dept. of Livestock	opposed
Jim Lane	Dept of Livestock	opposed
Timothy A Hinz	MT. Meat Processors	opposed
Jack Salvendy	Board of Livestock (chair)	opposed
Jerry Leaf	Board of Livestock	opposed
Jim Kagerhult	Board of Livestock	opposed
Leonard Ross	" " "	opposed
Ted Doney	MT. Dairyman's Assn.	oppose
T S LAURENS	MPTA	opposed
Jerry Dolson	2-5's meat and Saus	" "
Alain Johnson	MT Outfitters Guides	

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

HOUSE OF REPRESENTATIVES
VISITOR REGISTER

NATURAL RESOURCES SUBCOMMITTEE DATE 11-17-93

DEPARTMENT(S) _____ DIVISION _____

PLEASE PRINT

PLEASE PRINT

NAME	REPRESENTING	
LINDA MINIGNEAU	L+L MEATS MMPA	Oppose
LEONARD MINIGNEAU	L+L MEATS MMPA	OPPOSE
LUCKY SEIBERT	SEIBERTS INC + MMPA	opposed
Janet Ellis	MT Audubon	
Jim R. Schow	MT Wildlife Fed	
Mike Lowry	United Bowhunters	
John Lamb	Wallaces Unlimited	
Theresa Scott	DSL	
Don Artley	"	
Bud Clinch	"	
Randy Mosley	"	
Jeff Hagener	"	
Bob Kuschenbrod	"	
Don Allen	Molwood Products Inc	

Fish + Game